

FEDERAL ELECTION COMMISSION,
Washington, D.C., December 2, 1975.

HON. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: In accordance with Section 316(c) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C., 438(c), the Federal Election Commission transmits herewith proposed regulation pertaining to contributions to and expenditures from office accounts of all federal and state incumbent officeholders.

Pursuant to its statutory duty, the Commission also transmits herewith a detailed statement explaining and justifying the regulation.

That explanation and justification fully elaborates the revised provisions of the office account regulation, and I need not here restate the various points that are developed. I do note that the regulation in its present form embodies modifications of the two earlier submissions on the same subject. These modifications were suggested in the hearings the Commission held with regard to this subject matter on September 16-17, 1975, in written submissions received by the Commission, and in guidelines expressed in Senate Report No. 94-409 issued by the Senate Rules Committee on October 6, 1975.

Sincerely yours,

THOMAS B. CURTIS,
Chairman.

Enclosures.

ATTACHMENT A

PART 113—OFFICE ACCOUNTS; EXCESS CAMPAIGN FUNDS

Sec.

- §113.1 Definitions.
- §113.2 Contributions—Interpretation of Limitations.
- §113.3 Expenditures—Interpretation of Limitations.
- §113.4 Deposits of funds contributed to a Federal or State officeholder.
- §113.5 Excess campaign funds.
- §113.6 Reports of office accounts.
- §113.7 Reports of §113.4(c) accounts.

§113.1 *Definitions.* When used in this part—

(a) *Commission.* "Commission" means the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, (202) 382-5162.

(b) *Funds contributed.* "Funds contributed" means all funds including, but not limited to gifts, loans, advances, credits or deposits of money or any other thing of value, which are contributed for the purpose of supporting the activities of a Federal or State officeholder; except for funds appropriated by Congress, a State legislature, or similar public appropriation.

(c) *Office account.* "Office account" means an account established for the purpose of supporting the activities of a Federal or State office-

holder but does not include an account used exclusively for funds appropriated by Congress, a State legislature, or similar public appropriation, or a personal account of the officeholder which is not used principally for the purpose of supporting such activities, or an account used exclusively for activities pursuant to 39 U.S.C. § 210

(d) *Federal officeholder*. "Federal officeholder" means a person elected to or serving in the office of President or Vice President of the United States; or as a Senator or a Representative in, or Delegate or Resident Commissioner to, the Congress of the United States.

(e) *State officeholder*. "State officeholder" means a person elected or serving in any elected public office within a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico and any territory or possession of the United States, or any subdivision thereof.

(f) *Excess campaign funds*. A candidate for Federal office, or a Federal officeholder, or a treasurer of a principal campaign committee, may at any time determine that there is a surplus of campaign receipts, including all contributions, sales and income, over campaign expenditures and deem any or all such surplus as "excess campaign funds".

(g) *Principal campaign committee*. "Principal campaign committee" means the political committee pursuant to 2 U.S.C. § 432(f) (1).

(h) *The FECA, as amended*. "The FECA, as amended" means the Federal Election Campaign Act of 1971, P.L. 92-225, 88 Stat. 1263, and the Federal Election Campaign Act amendments of 1974, P.L. 93-443, 86 Stat. 3; and Subtitle H of the Internal Revenue Code of 1954, as amended.

§ 113.2 Contributions—Interpretation of Limitations.

(a) All funds contributed to a Federal officeholder for the purpose of supporting the Federal officeholder's activities as a holder of Federal office shall be considered contributions under 2 U.S.C. § 431 and subject to 18 U.S.C. §§ 610, 611, 613, 614 and 615, and 39 U.S.C. § 3210.

(b) All funds contributed to a State officeholder, who is a "candidate" for Federal office pursuant to 2 U.S.C. § 431(b), for the purpose of supporting the State officeholder's activities as a holder of State office shall be considered contributions under 2 U.S.C. § 431 and subject to 18 U.S.C. §§ 610, 611, 613, 614 and 615.

(c) All funds contributed to a Federal officeholder for the purpose of supporting the Federal officeholder's activities as a holder of Federal office, shall be considered contributions subject to 18 U.S.C. § 608(b); *Provided*, that 18 U.S.C. § 608(b) will not be considered to apply when a contributor states in writing that the contribution is to be used exclusively for expenditures made pursuant to 39 U.S.C. § 3210.

(d) All funds contributed to a State officeholder, who is a "candidate" for Federal office pursuant to 2 U.S.C. § 431(b), for the purpose of supporting the State officeholder's activities as a holder of State office shall be considered contributions subject to the limitations of 18 U.S.C. § 608(b).

§ 113.3 Expenditures—Interpretation of Limitations.

(a) All funds expended by or on behalf of a Federal officeholder from an office account are expenditures under the FECA, as amended,

during the last calendar year of a Federal officeholder's term; and such expenditures are subject to 18 U.S.C. § 608.

(b) All funds expended by or on behalf of a State officeholder from an office account are expenditures under the FECA, as amended, for the purposes of part 113.6(d) of this regulation, when a State officeholder becomes a "candidate" for Federal office pursuant to 2 U.S.C. § 431(b); and such expenditures are subject to 18 U.S.C. § 608 during the calendar year in which the election for Federal office takes place.

§ 113.4 *Deposits of funds contributed to a Federal or State officeholder.*

All funds contributed to a Federal officeholder, or State officeholder who is a candidate for Federal office, shall be deposited into one of the following accounts:

- (a) an account of the officeholder's principal campaign committee pursuant to 2 U.S.C. § 437b; or
- (b) an office account; or
- (c) an account used exclusively for activities pursuant to 39 U.S.C. § 3210.

§ 113.5 *Excess campaign funds.*

(a) Excess campaign funds expended prior to January 3 of the year after a Federal election shall be considered expenditures incurred with respect to the last election.

(b) The expenditures limitations of 18 U.S.C. § 608 will not be considered to apply to transfers of excess campaign funds by a candidate or his authorized committees to an account described in § 113.4 or to an organization described in 26 U.S.C. § 170(c).

§ 113.6 *Reports of office accounts.*

(a) All Federal officeholders having office accounts shall report as if such account is a political committee, pursuant to 2 U.S.C. § 434, and on forms provided for that purpose.

(b) If a Federal officeholder has not designated a principal campaign committee, such individual shall file the reports required by § 113.6(a) of this Part with the Clerk of the House of Representatives in the case of a Representative in, or Delegate or Resident Commissioner to, the Congress of the United States, or with the Secretary of the Senate in the case of a United States Senator, or with the Commission in the case of the President and Vice-President.

(c) When a Federal officeholder has designated a principal campaign committee, such individual shall file the reports required by § 113.6(a) of this Part with such principal campaign committee.

(d) When a State officeholder having an office account becomes a "candidate" for Federal office, pursuant to 2 U.S.C. § 431(b), such individual shall report as if such account is a political committee, pursuant to 2 U.S.C. § 434, and on forms provided for that purpose.

§ 113.7 *Reports of § 113.4(c) accounts.*

(a) All Federal officeholders and former Federal officeholders having § 113.4(c) accounts shall file reports on April 10 and October 10 of each year with the Clerk of the House of Representatives in the case of a Representative in, or Delegate or Resident Commissioner to,

the Congress of the United States, or with the Secretary of the Senate in the case of a United States Senator or the Vice-President.

(b) The April 10 report shall include all receipts and expenditures made from October 1 of the prior year to March 31 of each year. The October 10 report shall include all receipts and expenditures made from April 1 to September 30 of each year. These reporting obligations shall be effective prospectively on the effective date of this regulation (designated Part 113).

(c) Such reports shall include the name, address, occupation and principal place of business of all persons making contributions aggregating in excess of \$100 during the reporting period. Such reports shall include the name and address of all persons receiving expenditures aggregating more than \$100 during the reporting period.

(d) Forms will be provided by the Commission to implement this section.